Information Statement
on Anti-Money Laundering, Counter-Terrorist Financing, Proliferation and Sanctions Policies and Procedures at the Eurasian Development Bank

Protecting its reputation and maintaining the highest professional standards, the Eurasian Development Bank (hereinafter – EDB or the Bank) takes all necessary measures to prevent its involvement in illegal financial operations and activities related to money laundering, terrorist or proliferation financing (hereinafter – AML/CTF).

Performing its activities, the Bank:
- does not open or maintain accounts for anonymous owners and persons, using the fictitious names (pseudonyms), and does not establish relations with the banks, which open and maintain such accounts;
- does not establish and does not maintain relations with the banks that do not have permanent government bodies in the territories of states, where they are registered;
- does not provide services to customers, who have not submitted documents and information necessary for their identification, as well as for identification of their representatives and beneficial owners.

The Bank reserves the right to refuse establishing the relations with the persons included into the lists of organizations and individuals, involved in terrorist and extremist financing, as well as into the list of persons, that may be involved in money-laundering, terrorist financing or proliferation financing activities.

The Bank does not have any relations with persons registered (located) in the states (territories) that do not comply with the FATF Recommendations.

The Bank does not cooperate with targeted countries (territories) and persons included into the UN, EU, USA, UK, Bank's member states’ and other countries (as stipulated by agreements signed by the Bank) sanctions lists and does not participate in carrying out transactions (deals) with them and (or) to their benefit as well as transactions (deals) that evade or violate the sanctions.

EDB does not provide services to individuals. However, the Bank has procedures for identifying the PEPs, who might be beneficial owners or members of the management bodies of our corporate customers. In addition to the standard due diligence measures, the Bank exercises enhanced due diligence in relation to such customers in order to obtain the confirmation of the legality of their funds origin, the absence of corruption practices and conflicts of interest.

The Bank takes the following customer due diligence measures:
- collection of documents and information about the customers (including their representatives and beneficial owners) required for identification purposes;
- mandatory customer questioning, including obtaining information on the purpose of establishing relations, sources of funds, and in case of establishing relationships with the entities, which according to national laws are subject to perform AML/CTF duties, there is also information on measures taken by them to comply with AML/CTF laws and regulations, their internal documents and established controls;
- verification of customer’s information by using the reliable sources of information, which are available to the Bank on a legal basis;
- screening the customer, its management, representatives, beneficial owners against the lists of organizations and individuals involved in terrorist and extremist financing, sanctions lists and other lists used for AML/CTF purposes.

Upon analyzing customer-related document and information the Bank assigns an appropriate risk level to each customer. The risk assessment is based on the type of the customer, type of its activities and business, the geographical factor (in particular, the location of the client and its main counterparties), the services which the customer intends to use and the types of operations (if an entity is an existing customer) and some other factors.

The Bank updates the customer information on a regular basis. The frequency of such updating depends on assigned customer risk level and varies from six months to two years. If significant changes in customer’s profile are revealed, updating process starts immediately regardless of the date of planned renewal and risk reassessment.

The Bank monitors and analyzes all customer’s transactions. All transactions are screened against the lists of organizations and individuals involved in terrorist and extremist financing, as well as against sanctions lists in online mode by using special software. In case of revealing a transaction involving a person included into the lists of terrorist and extremist financing, the Bank acts in accordance with the legislation of the country of its headquarters.

The Bank does not carry out transactions involving sanctioned persons as well as transactions that violate the existing sanctions regime and Bank’ commitments in accordance with international borrowing programs.

Identification of unusual and suspicious transactions is made by using scenarios installed in specially developed software as well as by monitoring and additional analysis by employees of AML/CTF Division, which is part of Security and Compliance Control Department, and AMLO. The possibility of interaction with authorized governmental bodies of the Bank’s headquarters state and the main Bank’s member state on issues including reporting suspicious transactions is
provided by agreements on AML/CTF issues signed by EDB with the Ministry of Finance of the Republic of Kazakhstan and with the Government of the Russian Federation.

All documents and information obtained during the customer identification and verification process as well as information about the customers' transactions are documented in a duly manner and are subject to record-keeping for at least five years after the date of termination of relationships with the customer.

Taking into account the importance of improving the knowledge and skills in the field of AML/CTF internal control, the Bank provides AML/CTF trainings for relevant Bank employees involved in maintaining accounts, customer servicing, conducting transactions in financial markets and etc. at least once a year. AMLO and employees of AML/CTF Division participate in AML/CTF seminars, conferences and round tables as well as in the meetings of Eurasian Group, which is an associated member of FATF, on an annual basis.